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THE PROVINCE OF ALBERTA

GAS RESOURCES PRESERVATION ACT

ENERGY RESOURCES CONSERVATION BOARD

CANADIANA
JUN 12 1992

IN THE MATTER of a permit to Novergaz Inc.
authorizing the removal of gas from the Province

PERMIT NO. GR 92-35

WHEREAS Société québécoise d'initiatives pétrolières is the holder of Permit No. SQ 83-1 authorizing the removal of gas from the Province; and

WHEREAS Société québécoise d'initiatives pétrolières has applied to the Energy Resources Conservation Board to amend Permit No. SQ 83-1; and

WHEREAS the Board considers it appropriate to revise and consolidate the said permit and its existing and proposed amendments by repealing it and issuing a new permit to replace it in the name of Novergaz Inc.; and

WHEREAS the Lieutenant Governor in Council, by Order in Council numbered O.C. 315/92 and dated 21 May 1992, has authorized the granting of the permit subject to certain conditions set out on the Order in Council hereto attached.

THEREFORE, the Energy Resources Conservation Board, pursuant to the Gas Resources Preservation Act, being chapter G-3.1 of the Statutes of Alberta, 1984, hereby grants a permit to Novergaz Inc. (hereinafter called "the Permittee") authorizing the removal of gas from the Province subject to the terms and conditions herein contained and the regulations and orders made pursuant to the said Act as follows:

1. Gas shall be removed from the Province pursuant to this permit in accordance with
 - (a) Application No. 820759 from the Permittee dated 23 July 1982,
 - (b) Application No. 850564 from the Permittee dated 1 June 1984,
 - (c) Application No. 850758 from the Permittee dated 16 July 1985,
 - (d) Application No. 851359 from the Permittee dated 29 November 1985,
 - (e) Application No. 860185 from the Permittee dated 5 February 1986,
 - (f) Application No. 860745 from the Permittee dated 9 June 1986,
 - (g) Application No. 870864 from the Permittee dated 1 May 1987,
 - (h) Application No. 880378 from the Permittee dated 19 February 1988,

- (i) Application No. 880675 from the Permittee dated 14 April 1988,
- (j) Application No. 890013 from the Permittee dated 22 December 1988, as amended by letter from the Permittee dated 3 January 1989,
- (k) Application No. 890327 from the Permittee dated 28 February 1989,
- (l) Application No. 890734 from the Permittee dated 24 May 1989,
- (m) Application No. 891749 from the Permittee dated 17 November 1989,
- (n) Application No. 901472 from the Permittee dated 10 October 1990,
- (o) Application No. 911538 from the Permittee dated 1 October 1991, and
- (p) Application No. 920513 from the Permittee dated 15 April 1992.

2. This permit shall be operative for a term commencing on the date hereof and ending 31 October 1999.

3. The quantity of gas that may be removed pursuant to this permit shall not exceed

- (a) during the term of the permit, a total of 7 480 400 000 cubic metres, less the quantity of gas removed from the Province under the authorization of Permit No. SQ 83-1, nor
- (b) for the term commencing on the date hereof and ending 31 October 1997, during any consecutive 24-hour period or any consecutive 12-month period ending 31 October, rates limited by field productivity and good engineering practice, but in a 24-hour period such rates shall not exceed 1 403 000 cubic metres and in a 12-month period such rates shall not exceed 512 100 000 cubic metres, nor
- (c) for the term commencing 1 November 1997 and ending 31 October 1999, during any consecutive 24-hour period or any consecutive 12-month period ending 31 October, rates limited by field productivity and good engineering practice, but in a 24-hour period such rates shall not exceed 1 103 000 cubic metres and in a 12-month period such rates shall not exceed 512 100 000 cubic metres.

4. Notwithstanding clause 3, subclauses (b) and (c), the Permittee, for the purposes of operating flexibility and alleviating temporary operating problems caused by pipeline or equipment failure, may remove in any consecutive 24-hour period an additional 10 per cent of the volume of gas authorized for such period by clause 3, subclauses (b) and (c).

5. Notwithstanding any provisions of any contract for the purchase or other acquisition of gas, the Board may require the extraction of any substance or substances except methane from any gas before its removal from the Province pursuant to this permit.

6. The Permittee shall remove or cause to be removed only such gas as is transported on behalf of the Permittee through Section 11 or 12 of Township 20, Range 1, West of the 4th Meridian, for delivery from the facilities of NOVA Corporation of Alberta to the pipelines of TransCanada PipeLines Limited.

7. (1) All gas removed from the Province pursuant to this permit shall be measured by or on behalf of the Permittee by meters approved by the Board.

(2) The relative density, higher heating value and volume of all gas received by the Permittee through the facilities referred to in clause 6 shall be measured and reported in a manner approved by the Board, by or on behalf of the Permittee, at or near the points at which gas is delivered by the said facilities.

8. All quantities of gas for the purpose of this permit shall be referred to a 101.325 kilopascal pressure base and a 15° Celsius temperature base.

9. The Permittee shall supply gas from the pipeline of NOVA Corporation of Alberta at a reasonable price to any community or consumer within the Province, or to any public utility requiring gas for such community or consumer that is willing to take delivery of gas at a point on the pipeline transmitting the gas, and that, in the opinion of the Board, can reasonably be so supplied by the Permittee.

10. If any community, consumer or public utility is willing to take delivery of gas pursuant to clause 10 and agreement on the price to be paid for the gas cannot be reached, the price to be paid shall be determined by the Public Utilities Board on the application of an interested party, and the part of the price attributable to transportation shall be based on the assumption that the gas has been supplied from the capable source or sources available to the Permittee nearest to the point of delivery.

11. Notwithstanding the provisions hereof, the Permittee shall comply with the provisions of any Act, regulation, order or direction governing the drilling for, production, conservation, gathering, transportation, processing, purchasing, acquisition, sale, measurement, reporting, testing, supply or delivery of gas within the Province.

12. (1) Attached hereto as Appendix A to this permit is the order of the Lieutenant Governor in Council authorizing the granting of this permit.

(2) This permit is subject to the terms and conditions prescribed by the order of the Lieutenant Governor in Council set out in Appendix A.

13. Permit No. SQ 83-1 is rescinded.

MADE at the City of Calgary, in the Province of Alberta, this 1st day of June, 1992.

ENERGY RESOURCES CONSERVATION BOARD

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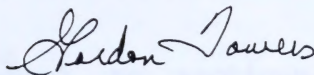
Alberta



ORDER IN COUNCIL

APPROVED AND ORDERED.

O.C. 315/92



May 21, 1992

LIEUTENANT GOVERNOR

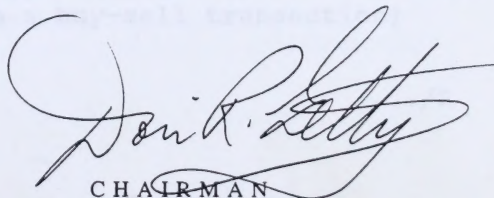
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Whereas the Energy Resources Conservation Board, having considered the application by the Societe quebecoise d'initiatives petrolieres for assignment of Permit No. SQ 83-1 from the Societe quebecoise d'initiatives petrolieres to Novergaz Inc., reports that it considers it appropriate, with the approval of the Lieutenant Governor in Council, to consent to the assignment of Permit No. SQ 83-1 by revising and consolidating the said permit and the existing and proposed amendments thereto, and by rescinding Permit No. SQ 83-1 and issuing a new permit to replace it:

Therefore, upon the recommendation of the Honourable the Minister of Energy, the Lieutenant Governor in Council, pursuant to sections 4, 10 and 13 of the Gas Resources Preservation Act,

(a) approves the granting by the Energy Resources Conservation Board of Permit No. GR 92-35 to Novergaz Inc. in the form attached and subject to the terms and conditions specified in Attachment 1, and

(b) rescinds Orders in Council numbered O.C. 657/83, O.C. 797/84 and O.C. 117/86.



CHAIRMAN

ATTACHMENT 1

Terms and Conditions

under the Order in Council approving the granting of

PERMIT NO. GR 92-35

Pursuant to sections 4 and 13(2) of the Gas Resources Preservation Act, the order of the Lieutenant Governor in Council approving the granting by the Energy Resources Conservation Board of Permit No. GR 92-35 to Novergaz Inc. (hereinafter called the "Permittee") is, from and after the sixtieth day following the day the permit is made, subject to the following terms and conditions:

1(1) In these terms and conditions,

- (a) "buy-sell transaction" means a contract or arrangement between an end user of gas removed from Alberta pursuant to the permit and a distributor under which
 - (i) the end user sells gas to the distributor for delivery at a point upstream from the place where the gas will be consumed or used by the end user, and
 - (ii) the distributor sells to the end user an equal quantity of gas for delivery at or near the place where the gas will be consumed or used by the end user;
- (b) "distributor" means a person who carries on business as a distributor of gas;
- (c) "downstream arrangements", in relation to gas removed or to be removed from Alberta pursuant to the permit, means
 - (i) downstream contracts relating to the gas, and
 - (ii) end use arrangements relating to the gas;
- (d) "downstream contract" means a contract under which gas is sold or otherwise disposed of for delivery outside Alberta and includes an agreement that amends or varies that contract, but does not include a buy-sell transaction;

- (e) "end use arrangement" means an existing or proposed arrangement under which gas is or is to be consumed or used outside Alberta by an end user, and includes a buy-sell transaction relating to that gas;
- (f) "end user", in relation to gas removed or to be removed from Alberta pursuant to the permit, means a person who consumes or uses, or will consume or use, the gas at a place outside Alberta;
- (g) "filed downstream arrangements" means
 - (i) the downstream arrangements respecting the gas removed or to be removed from Alberta pursuant to the permit as described in the information respecting those downstream arrangements filed with the Minister by the Permittee in connection with the application for the approval of the permit by the Lieutenant Governor in Council, or
 - (ii) information filed with the Minister by the Permittee pursuant to section 5 of the Permit Conditions Regulation (Alta. Reg. 271/87),

subject to any change in those downstream arrangements in respect of which there has been compliance with section 2 of these terms and conditions.

- (2) A reference in a provision of these terms and conditions to "adequate information" means information that is adequate in the opinion of the Minister for the purpose of that provision.
- (3) For the purpose of these terms and conditions, information shall be considered as being filed with the Minister if the Minister or an employee of the Department of Energy
 - (a) has given a written acknowledgement of the filing to the Permittee, and
 - (b) has furnished to the permittee copies of that information.

2(1) Gas shall not be removed from Alberta pursuant to the permit under downstream arrangements different from the filed downstream arrangements relating to the permit unless

- (a) adequate information has been filed with the Minister respecting the change in the filed downstream arrangements, and
 - (b) the Minister has given his written consent to the removal of the gas from Alberta under the changed downstream arrangements prior to the effective date of the change as described in the information filed under clause (a).
- (2) For the purpose of subsection (1), a change in filed downstream arrangements includes, without limitation,
- (a) entering into a downstream contract or making an end use arrangement that was not previously part of the filed downstream arrangements, and
 - (b) an amendment or variation of a downstream contract that changes or affects the filed downstream arrangements respecting that downstream contract,

but does not include the termination or discharge of a downstream contract that was previously part of the filed downstream arrangements or the cessation of an end use arrangement that was previously part of the filed downstream arrangements.

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112-1-160
JUN - 2 1992

THE PROVINCE OF ALBERTA
GAS RESOURCES PRESERVATION ACT
ENERGY RESOURCES CONSERVATION BOARD

IN THE MATTER of a permit to Canadian
Natural Resources Limited authorizing the removal
of gas from the Province

PERMIT NO. GR 92-36

WHEREAS the Energy Resources Conservation Board is of the opinion that the granting of the application by Canadian Natural Resources Limited for the removal of gas from the Province is in the public interest, and the Minister of Energy has given his approval hereto attached.

THEREFORE, the Energy Resources Conservation Board, pursuant to the Gas Resources Preservation Act, being chapter G-3.1 of the Statutes of Alberta, 1984, hereby orders as follows:

1. The application of Canadian Natural Resources Limited (hereinafter called "the Permittee") for removal of gas from the Province, is approved, subject to the terms and conditions herein contained.
2. Gas shall be removed from the Province pursuant to this permit in accordance with Application No. 920595 by the Permittee dated 23 April 1992.
3. This permit shall be operative for a term ending 30 April 1993.
4. The quantity of gas that may be removed from the Province pursuant to this permit shall not exceed 157 400 000 cubic metres.
5. The Permittee shall remove or cause to be removed only such gas as is transported on behalf of the Permittee through Section 1 of Township 20, Range 1, West of the 4th Meridian, for delivery from the facilities of NOVA Corporation of Alberta to the pipelines of Foothills Pipe Lines (Sask.) Ltd.
6. (1) All gas removed from the Province pursuant to this permit shall be measured by or on behalf of the Permittee by meters approved by the Board.

(2) The relative density, higher heating value and volume of all gas received by the Permittee through the facilities referred to in clause 5 shall be measured and reported in a manner approved by the Board, by or on behalf of the Permittee, at or near the points at which gas is delivered by the said facilities.
7. All quantities of gas for the purpose of this permit shall be referred to a 101.325 kilopascal pressure base and a 15° Celsius temperature base.
8. The Permittee shall supply gas from the pipeline of NOVA Corporation of Alberta at a reasonable price to any community or consumer within the Province, or to any public utility requiring gas for such community or consumer that is willing to take delivery of gas at a point on the pipeline transmitting the gas, and that, in the opinion of the Board, can reasonably be so supplied by the Permittee.

9. If any community, consumer or public utility is willing to take delivery of gas pursuant to clause 8 and agreement on the price to be paid for the gas cannot be reached, the price to be paid shall be determined by the Public Utilities Board on the application of an interested party, and the part of the price attributable to transportation shall be based on the assumption that the gas has been supplied from the capable source or sources available to the Permittee nearest to the point of delivery.

10. This permit may be rescinded at any time after 27 August 1992 if no gas has been removed from the Province pursuant to this permit before 27 August 1992.

11. (1) Attached hereto as Appendix A to this permit is the Ministerial Approval of the Minister of Energy authorizing the granting of this permit.

(2) This permit is subject to the terms and conditions prescribed by the order of the Minister of Energy set out in Appendix A.

MADE at the City of Calgary, in the Province of Alberta, this 28th day of May, 1992.

ENERGY RESOURCES CONSERVATION BOARD

APPENDIX A TO PERMIT NO. GR 92-36

GAS RESOURCES PRESERVATION ACT

DEPARTMENT OF ENERGY

Ministerial Approval

Edmonton, Alberta

May 1, 1992

Pursuant to section 6 of the Gas Resources Preservation Act, I, the undersigned, Minister of Energy for the Province of Alberta, approve the granting by the Energy Resources Conservation Board of Permit No. GR 92-36 to Canadian Natural Resources Limited (hereinafter called "the Permittee"), subject to the following terms and conditions:

1(1) In these terms and conditions,

- (a) "buy-sell transaction" means a contract or arrangement between an end user of gas removed from Alberta pursuant to the permit and a distributor under which
 - (i) the end user sells gas to the distributor for delivery at a point upstream from the place where the gas will be consumed or used by the end user, and
 - (ii) the distributor sells to the end user an equal quantity of gas for delivery at or near the place where the gas will be consumed or used by the end user;
- (b) "distributor" means a person who carries on business as a distributor of gas;
- (c) "downstream arrangements", in relation to gas removed or to be removed from Alberta pursuant to the permit, means
 - (i) downstream contracts relating to the gas, and
 - (ii) end use arrangements relating to the gas;

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- (d) "downstream contract" means a contract under which gas is sold or otherwise disposed of for delivery outside Alberta and includes an agreement that amends or varies that contract, but does not include a buy-sell transaction;
- (e) "end use arrangement" means an existing or proposed arrangement under which gas is or is to be consumed or used outside Alberta by an end user, and includes a buy-sell transaction relating to that gas;
- (f) "end user", in relation to gas removed or to be removed from Alberta pursuant to the permit, means a person who consumes or uses, or will consume or use, the gas at a place outside Alberta;
- (g) "filed downstream arrangements" means
 - (i) the downstream arrangements respecting the gas removed or to be removed from Alberta pursuant to the permit as described in the information respecting those downstream arrangements filed with the Minister by the Permittee in connection with the application for the approval of the granting of the permit by the Minister, or
 - (ii) information filed with the Minister by the Permittee pursuant to section 3(1) of these terms and conditions,

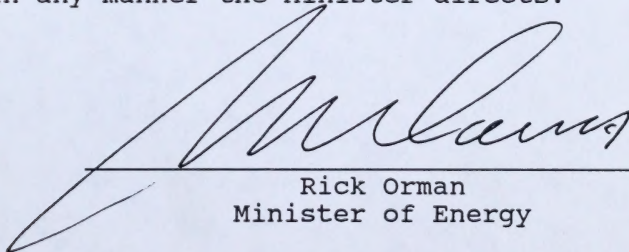
subject to any change in those downstream arrangements in respect of which there has been compliance with section 2 of these terms and conditions.

- (2) A reference in a provision of these terms and conditions to "adequate information" means information that is adequate in the opinion of the Minister for the purpose of that provision.
- (3) For the purpose of these terms and conditions, information shall be considered as being filed with the Minister if the Minister or an employee of the Department of Energy
 - (a) has given a written acknowledgement of the filing to the Permittee, and
 - (b) has furnished to the permittee copies of that information.

- 2(1) Gas shall not be removed from Alberta pursuant to the permit under downstream arrangements different from the filed downstream arrangements relating to the permit unless
- (a) adequate information has been filed with the Minister respecting the change in the filed downstream arrangements, and
 - (b) the Minister has given his written consent to the removal of the gas from Alberta under the changed downstream arrangements prior to the effective date of the change as described in the information filed under clause (a).
- (2) For the purpose of subsection (1), a change in filed downstream arrangements includes, without limitation,
- (a) entering into a downstream contract or making an end use arrangement that was not previously part of the filed downstream arrangements, and
 - (b) an amendment or variation of a downstream contract that changes or affects the filed downstream arrangements respecting that downstream contract,

but does not include the termination or discharge of a downstream contract that was previously part of the filed downstream arrangements or the cessation of an end use arrangement that was previously part of the filed downstream arrangements.

- 3(1) The Permittee will, on being requested to do so by the Minister by a notice in writing, furnish to or file with the Minister, within the time prescribed by the notice, any information described in the notice and relating to the gas removed or to be removed from Alberta pursuant to the permit.
- (2) The Minister may require that any information furnished to or filed with him pursuant to these terms and conditions be verified in any manner the Minister directs.



Rick Orman
Minister of Energy

